

**DELHI CHARTER TOWNSHIP**  
**DEPT. OF COMMUNITY DEVELOPMENT**

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October 1, 2013

Senate Local Government Committee Members

RE: SB 313

Dear Senators:

I am writing today with regards to SB 313, which is a bill to amend PA 167 of 1917, the "Housing Law of Michigan". It is my understanding that this bill has been referred to the Committee of Local Government and Elections. I urge you, as a member of that committee, to consider the following during your deliberations on the proposed amendments.

Delhi Charter Township is an urban community south of Lansing. The 2010 U.S. Census reported a population of 25,877 people. At the end of 2012 there were 2,672 rental units within our community. The majority of these units are within multi-family housing developments (apartment buildings & complexes). In 1998 the Township adopted the International Code Council's *International Property Maintenance Code (IPMC)* for the purpose of maintaining minimum health, safety and welfare standards for dwellings within the Township.

In 2002, at the urging of residents, the Township amended the ordinance adopting the IPMC to include the requirement that rental properties within the community be registered and inspected every two years. The purpose of these amendments was to enable the Township to verify that rental units are maintained at the same basic level relative to health, safety and welfare goals. The standards with which we expect compliance, as outlined in the IPMC, are very minimalistic and are not overreaching or unreasonable. Requirements include regulation of basic items such as requiring functional smoke detectors, preventing overcrowding, infestations of bugs and other pests, safe stairways and balcony railings and ensuring that areas used as bedrooms have egress windows. None of these requirements are trivial in nature.

Delhi Township did not adopt its rental registration and inspection requirement for the purpose of "micro-managing" landlords, or in an attempt to keep rental properties out of the community. This is evidenced by the fact that rentals comprise approximately 28% of the total dwelling units in our community. The purpose was to ensure that rental properties in the community are well maintained and do not cause unsafe or undesirable living conditions for the residents or for the community at large. SB 313 will significantly limit a community's ability to achieve these goals.

Quite simply, SB 313 appears to be singularly for the benefit of owners of multi-family apartment developments. It creates an unequal playing field between these owners and the owners of other types of rental units. None of the proposed amendments, directly or indirectly, benefit the residents within the rental units.

As if this unabashed favoritism and special interest bias is not bad enough, SB313 also creates so many barriers that communities who desire registration and inspection programs will, in all likelihood, be unable to implement them. It is evident that this consequence is intended.

Please consider the following:

- SB 313 expands the applicability of the Act to all municipal subdivisions with a population of 10,000 or more. Currently, the threshold is a population of 100,000. The population reduction would make this Act applicable to nearly every urban and suburban township in the State.
- SB 313 includes strict fees that may be charged by municipalities for registration and inspections. Specifically, SB 313 stipulates that no more than \$100 shall be charged as a registration fee. Further, that the registration fee won't be charged again for as long as the "same owner" continues to own it.

SB 313 also requires that any inspection fee be the lesser of either: 1) the actual costs to provide the inspection or, 2) \$40. The amendments go on to state that a landlord cannot be charged the fee for the first re-inspection. This provides no incentive for the landlord to actually pass his or her inspections the first time around and, from a practical standpoint, means that the enforcing agency will actually conduct two inspections for \$40 in many instances (i.e. much less than the actual cost to provide the inspection).

There is already a requirement in this State that fees charged by municipalities not exceed the cost of the providing the service that the fee is for. Communities with rental registration and inspection programs have already established their fees based on this premise, and new programs are required to do the same. I can say with a high degree of confidence that \$40 for up to two inspections is not representative of the cost for services. There is no way that the fees proposed by SB 313 would support implementation of rental registration and inspection programs. Therefore, it is apparent that including these limits on fees within SB 313 is an attempt to force communities to abandon their programs, or require them to be subsidized by the general tax payer.

- SB 313 states that "an inspection shall be conducted in the manner best calculated to secure compliance with this act, and appropriate to the needs of the community, including, but not limited to, on 1 or more of the following bases", but then goes on to eliminate from the list of possible "bases" the ability to conduct inspection based on a history of recurrent violations. This means that the very properties that should be inspected more frequently, based on prior violations and lack of compliance with minimum standards, cannot be inspected more frequently on the basis of this poor compliance history. This means that the properties that are the largest problems in a community, the ones that most people would agree should receive the most attention will not be treated any differently than well-run and well maintained properties. Once again, we are protecting the landlords rather than the interests of residents, adjacent property owners and community well-being.


- SB 313 also stipulates that inspection will occur *not more than one time every 6 years*. In Delhi Township we inspect properties at least once every two years. Despite this relatively frequent inspection cycle, approximately 36% of the units are found to have violations at the time of their inspection. It is difficult to estimate what the compliance rate would be after six years; however one could extrapolate that three of our inspection cycles would produce violations at a rate of 100%.

Rental registration and inspection programs are implemented at the local level by communities that want to maintain property values, provide safe rental housing, reduce blight, increase community safety and negate negative impacts. This involves the adoption of a local ordinance that has been *vetted and supported by the people of the community*. It is difficult to see any valid reason why the State should take this local control away.

The standards used to implement these programs and conduct inspections are not unreasonable or unrealistic and are geared only at ensuring that minimum standards are maintained. While the programs may not always be popular with the landlords who are being required to make *minimal investment in the maintenance and upkeep* of their properties, they are very popular with the residents of those units and the constituents within the communities where they are located. SB 313 will weaken our neighborhoods and communities. SB 313 uses fee restrictions and right of entry road blocks to effectively strong-arm local communities into abandoning rental registration and inspection programs, which are currently funded on a “fee for service” basis. SB 313 does not serve the residents, property owners or voters of this state and appears to be drafted for the sole benefit of multi-family development owners. For these reasons, I would strongly encourage you dismiss any future action on SB 313 as it is a detriment to the health, safety and welfare of this State’s residents.

If you have any questions, or would like additional information, please do not hesitate to contact me. I can be reached at 517-694-2137 or [john.elsinga@delhitownship.com](mailto:john.elsinga@delhitownship.com). Thank you.

Sincerely,



John B. Elsinga  
Township Manager

